

LFC Requester:	Jonas Armstrong
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**AGENCY BILL ANALYSIS
2016 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original	<input checked="" type="checkbox"/>	Amendment	<input type="checkbox"/>	Date	Jan. 26, 2016
Correction	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Bill No:	HB196

Sponsor:	Rep. Tomas Salazar	Agency Code:	305
Short Title:	Regional Water Utility Authority Act	Person Writing	Sarah Bond, AAG
		Phone:	827-7481
		Email	sbond@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE**BILL SUMMARY**

This analysis is neither a formal Attorney General's Opinion nor an Attorney General's Advisory Letter. This is a staff analysis in response to an agency's, committee's, or legislator's request.

Synopsis:

HB 196 establishes provisions under which existing local political subdivisions or tribal governments may organize themselves into a regional water utility authority. HB 196 requires the authority to file necessary applications with the State Engineer, e.g. to combine and commingle existing water rights, or change in ownership in accord with existing law and practice.

In Section 15, paragraph B is unclear about jurisdiction to authorize new domestic wells. While stating an authority has "jurisdiction" over new domestic wells, ¶ G provides the applicant must seek authority approval only after obtaining a state engineer's approval. Further, ¶K. indicates the section is not intended to limit the state engineer's authority to administer water rights.

Section 32 amends §72-12-1.1 to require the state engineer to require domestic well permittees to comply with regional water authority laws, if applicable, when issuing domestic well permits.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

HB 196, Section 15, should be clarified that it does not displace the state engineer's well permitting primary jurisdiction but rather only supplements it.

Section 32 should also clarify that regional water utility authority jurisdiction over new wells in its service area is merely supplemental and concurrent with that of the state engineer.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

Section 15 should be clarified to provide that regional water utility authority regulations are supplemental to that of the state engineer, and that state engineer domestic well permits still need to be obtained prior to obtaining any regional water utility authority permit.

Section 32 additional language “Except as otherwise provided in this section” should not be added, as it only confuses the permitting requirements that later incorporate the regional water authority provisions.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

N/A